

From: Neff, Brian J.
Sent: Tuesday, May 10, 2011 12:14 PM
To: 'jgardner@megola.com'
Cc: Waldbaum, Maxim H.
Subject: Newstar and EcoBlu/Megola - Draft Megola Press Release

Dear Mr. Gardner:

As you requested, we have drafted a proposed Megola press release, below.

We look forward to your response.

Regards,

Brian Neff

Megola Inc. Admits Misrepresentations Regarding Hartindo AF21 and EcoBlu

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SOURCE Megola Inc.

SARNIA, Ontario, May __, 2011 /PRNewswire/ -- Megola, Inc. (OTCBB:MGON), and its CEO, Joel Gardner, have in recent months made a number of statements concerning the Hartindo AF21 Anti-Fire Inhibitor and its manufacturer, Newstar Chemicals (M) SDN BHD, and with regard to the distributor of AF21, EcoBlu Products, Inc. (OTCBB: ECOB). Such statements include, but are not limited to, Megola press releases dated April 13, 2011, April 18, 2011 and May 9, 2011.

Megola and Mr. Gardner hereby acknowledge that their prior statements regarding these matters were inaccurate or misleading in a number of respects. In the interest of correcting any misunderstanding resulting from such misstatements, Megola and Mr. Gardner state as follows. First, they acknowledge that Megola, Mr. Gardner, and 1771601 Ontario, Inc. do not hold any valid trademark, manufacturing or exclusive distribution rights for any Hartindo Anti-Fire products, including Hartindo AF21. In addition, Megola, Mr. Gardner and 1771601 Ontario, Inc. have not purchased the formula for any such products. The products and formula remain proprietary trade secrets of Newstar. Furthermore, Megola and Mr. Gardner have no reason to question the validity of any certifications of products manufactured or marketed by Newstar or EcoBlu. Megola and Mr. Gardner further acknowledge that the prior contract between EcoBlu and Megola was not terminated due to any inability on the part of EcoBlu to make sales quotas, just according to the contract's terms. Megola was incorrect in stating that the relationship between EcoBlu and Megola was terminated by Megola; the decision to terminate was EcoBlu's. EcoBlu did not make any false promises of projected sales volumes. Also, EcoBlu has not been delinquent in the payment of any outstanding Megola invoice.

For more information on Megola Inc., please visit www.megola.com

Shareholders and investors are strongly cautioned against placing undue reliance on information set forth in these communications in making any investment decisions concerning our securities. The matters set forth in this press release are forward-looking statements within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially. These risks are detailed from time to time in the company's periodic reports filed with the Securities and Exchange Commission including the company's Annual Report, Quarterly Reports and other periodic

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